

MINUTES  
**CHANGE IN EMPLOYEE COMPENSATION COMMITTEE**

**DATE:** Wednesday, January 17, 2024

**TIME:** 2:30 P.M.

**PLACE:** C310

**MEMBERS PRESENT:** Senators Co-chairman Cook, Guthrie, Burtenshaw, Carlson, Ward-Engelking

Representatives Co-chairman Bundy, Holtzclaw, Kingsley, Wheeler

**ABSENT/ EXCUSED:** Representative(s) Holtzclaw, Representative(s) Kingsley, Representative(s) Gannon

**Co-Chairman Bundy** called the meeting to order at 2:32 P.M.

At **Co-Chairman Bundy's** request, **Ms. Christine Otto**, Principal Analyst, LSO Budget & Policy Analysis Division, provided a review of the four components before the committee. The salary structure adjustment would move the structure within the classified system. The other recommendation was for two additional salary structures within IT and Nursing. This funding only applies to those whose pay falls below the minimum. Payline exceptions allow specific job classes to be paid at a higher pay grade. This has no fiscal impact, as these are already within an agency's budget. The third motion is for the benefit package, historically this is specifically for health insurance and PERSI. Lastly, the merit increase is portion of the employees' salary that would be increased due to merit.

**ORIGINAL MOTION:** **Representative Wheeler** moved that the compensation schedule be shifted upwards by an average of 3.7% as outlined in DHR's FY 2025 CEC report, at all pay rates in all pay grades, with the exception of Pay Grade D where the minimum shall stay at \$7.25 per hour, for FY 2025, and to add two new salary structures for IT/Engineering and Nursing/Healthcare, and that the Legislature does not fund the shift unless an employee is below the new minimum as recommended by the Governor. **Senator Guthrie** seconded the motion.

**ROLL CALL VOTE ON ORIGINAL MOTION:** **Motion carried by a vote of 7 AYE, 0 NAY, 3 AB/EX. Voting in favor of the motion: Sen. Co-Chairman Cook, Guthrie, Burtenshaw, Carlson, Ward-Engelking, Reps. Co-Chairman Bundy, Wheeler.**

**ORIGINAL MOTION:** **Representative Wheeler** moved that the state maintain all job classifications with a current pay line exception to address specific recruitment or retention issues as recommended in DHR's FY 2025 CEC Report. **Senator Burtenshaw** seconded the motion.

**ROLL CALL VOTE ON ORIGINAL MOTION:** **Motion carried by a vote of 7 AYE, 0 NAY, 3 AB/EX. Voting in favor of the motion: Sen. Co-Chairman Cook, Guthrie, Burtenshaw, Carlson, Ward-Engelking, Reps. Co-Chairman Bundy, Wheeler.**

**Senator Ward-Engelking** asked a follow up question about benefit packages, stating that it was brought to her attention that if this package passed for state employees, there is an amount that goes out to state educators, and if so, whether school districts would be receiving \$750 less in their benefit package per individual.

**Ms. Otto** explained that the school districts' insurance portion is taken up in non-discretionary, not in statewide decisions. This just affects the state portion of insurance as well as merit increases. When looking at the fiscal impact, this does not include public schools, admin, classified or military compensation.

**ORIGINAL MOTION:**

**Representative Wheeler** moved that the state maintain the current employee benefit package for FY 2025 with a decrease to the appropriation for the employer share of health benefits, and to approve PERSI rates as approved by the PERSI board for FY 2025. **Senator Guthrie** seconded the motion.

**ROLL CALL VOTE ON ORIGINAL MOTION:**

**Motion carried with 7 AYE, 0 NAY, 3 AB/EX. Voting in favor of the motion: Sen. Co-Chairman Cook, Guthrie, Burtenshaw, Carlson, Ward-Engelking, Reps. Co-Chairman Bundy, Wheeler.**

**ORIGINAL MOTION:**

**Representative Wheeler** moved to approve a 2% increase in funding for a merit-based salary increase for state employees, with flexibility allowed for agency heads and institution presidents to distribute those funds as they see fit. In addition, and notwithstanding any other law to the contrary, I move to provide a 1% across-the-board increase for all permanent state employees. **Senator Burtenshaw** seconded that motion.

**Senator Ward-Engelking** asked to discuss the motion prior to the vote.

**Co-Chairman Bundy** granted **Senator Ward-Engelking** permission.

**Senator Ward-Engelking** commented that last year CEC agreed to a two year plan, and if they had continued with the plan state employees would be receiving a 4.5% merit increase today and IT engineers and nurses would be receiving 5.5% on top of that. This was a study done by DHR; it was a two year plan to get the state farther along to where it needs to be to retain and recruit highly skilled state employees. She said she felt the committee was letting them down on this commitment that was made. She expressed disappointment that this may be the best the committee could do today.

**ROLL CALL VOTE ON ORIGINAL MOTION:**

**Motion carried with 6 AYE, 1 NAY, 3 AB/EX. Voting in favor of the motion: Sen. Co-Chairman Cook, Guthrie, Burtenshaw, Carlson, Reps. Co-Chairman Bundy, Wheeler. Voting in opposition to the motion: Senator Ward-Engelking.**

**Co-Chairman Bundy** expressed his appreciation to the committee for its willingness to work on these issues.

**ADJOURN:**

There being no further business to come before the committee, the meeting adjourned at 2:45 P.M.

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Representative Bundy  
Chair

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Tamara Figueiredo  
Secretary